**GOVERNMENT OF ANDHRA PRADESH**
**ABSTRACT**

PLANNING DEPARTMENT – Corporate Social Responsibility (CSR) – Utilization of CSR funds in effective manner –Guidelines- Orders – Issued.

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**PLANNING(VII) DEPARTMENT**

**G.O.Ms.No.14.** **Dated:14-10-2021.**

1. **G.O.Rt.No.860, General Administration department, dated: 20.05.2020.**
2. **G.O.Rt.No.405, Planning (XII) Department, dated: 31.12.2019.**
3. **G.O.MS.No.51 General Administration (Cabinet.II) department, dated : 13.05.2021.**

**ORDER:**

The Corporate Social Responsibility (CSR) is a Company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Section 135 and Schedule VII of Companies Act 2013 and companies (Corporate Social Responsibility) Rules, 2014 prescribe the mandatory provisions for companies to fulfill to discharge their CSR obligation. The Board of Directors of every Company to which CSR provisions are applicable shall ensure that the company spends in every financial year at least 2% of the average net profits of the company made during the 3 immediately preceding financial years and also CSR activities shall have to be displayed in the company's website.

2. The Government of A.P. desires to streamline the mobilization and utilization of CSR funds in an organized way making it mandatory to account for and be responsible for spending the funds to the earmarked utilitarian asset creation in Human development i.e., Education and Health sectors of local felt needs.

3. Vide reference 2nd cited, Government established a separate wing 'Connect to Andhra' a Non-profit society under Planning Department to coordinate the CSR funds mobilization and ensure effective monitoring of the flow of CSR funds from the Industries/Companies in the State. Government has also constituted two committees at state and district level for overall supervision, monitoring and co-ordination of CSR implementation in the District in achieving the goals of Navarathnalu, Education & Health Sectors.

4. In the reference 3rd read above, Government allotted the subject matter of "Corporate Social Responsibility - CSR" to Planning Department.

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5. After careful examination, the government here by decided that the CSR funds shall be spent in the following manner:

I. The District Collector shall be responsible for Implementation and monitoring of the CSR activities with the assistance of District Level Committee for mobilizing and release of funds and prescribing monitoring mechanism for implementation of the Scheme.

II. The District Collector shall conduct annual meetings with the corporate bodies and estimate the contribution of each such Institution and also create shelf of projects for implementation at District level.

III. Contributions under CSR and related works are divided into two categories:
   - **a.** Works suggested and executed by the Corporate.
   - **b.** Works suggested by the company but executed by the government.

IV. Under **category-a**, the contribution under CSR collected and deposited at district level under Connect to Andhra shall be operated jointly by the District Collector and the Company and a separate joint account shall be opened for each company.

V. Under **category-b**, the contribution under CSR shall be deposited in the central account of Connect to Andhra.

VI. The CEO, 'Connect to Andhra' shall process District wise proposals along with the funds availability to the Govt. for the approval of projects.

VII. After approval, the CEO, connect to Andhra shall release funds for execution of works.

VIII. The CEO, Connect to Andhra shall maintain the accounts and proper records for the CSR funds and the accounts must be audited every year.

IX. While proposing the projects the companies shall give preference to the local area and area around it where it operates, for spending the amount earmarked for CSR activities.

X. The District Collectors shall ensure to consider the SC, ST and minorities area or other vulnerable area (community) while recommending and sanctioning the works from the CSR funds.

XI. On the basis of the physical and financial report furnished by the Implementing Agency the funds shall be released.

XII. The District Collector and Implementing Agencies shall maintain accounts of CSR funds, Company-wise and Cash-Book, other Books of Accounts shall be maintained as per the State Government procedure.

XIII. The District Collector shall also maintain different category wise list of works executed in an Asset Register for all the CSR assets created in the district and for the funds received.

XIV. Once the works are sanctioned by the Collector, the executive department concerned will be responsible for timely and qualitative completion of the work.

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XV. The Implementing Agencies shall furnish physical and financial progress of each work to the District Authority every month.

XVI. At District level, the District Collector is designated as the nodal authority with overall responsibility of administrative sanction of works, monitoring, supervision and coordination with executive line departments for effective implementation of the scheme.

XVII. Before according sanction orders by the district collector for the works under the scheme it must be ensured that the said work has not been sanctioned earlier under any other scheme (State or Central) to avoid duplication of works.

XVIII. These funds may be tied up with any other schemes / donations / contribution from the public. The administrative sanction order should explicitly mention the share of the funds so tied up and also ensure availability of funds under the scheme before issue of sanction orders.

XIX. The District Collector shall conduct review meetings periodically with Executive Agencies along with District Level Committee and furnish the status report on CSR to the CEO connect to Andhra.

XX. As soon as a work under the Scheme is completed, it should be put to public use. For greater public awareness, for all works executed under CSR a plaque (stone/metal) carrying the inscription "Corporate Social Responsibility Work" indicating the cost involved, and the name of the sponsoring corporate shall be permanently erected.

6. The District Collectors are requested to communicate the above said operational guidelines on CSR funds to the Corporates existing in their respective districts.

**(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)**

**VIJAY KUMAR G.SRKR**
**SECRETARY TO GOVERNMENT**

To
All members in the State/ District Level Committees.
All District Collectors in the State of Andhra Pradesh (With a request to communicate to all the District Level Committee Members).
The CEO, Connect to Andhra.
The P.S. to Chief Secretary to Govt., A.P., Velagapudi.
The P.S. to Prl. Secretary to Hon'ble C.M.
The P.S. to Secretary to Govt., Planning Department, A.P. Velagapudi.
S.F/S.C.

**//FORWARDED::BY ORDER//**

Begum

**SECTION OFFICER**